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Integrated Management Information System project

Tenth progress report of the Secretary-General

Addendum

Summary

The present addendum to the tenth progress report of the Secretary-General on the Integrated Management Information System (IMIS) project (A/53/573) is submitted in accordance with the request of the General Assembly, in its resolution 53/214 of 18 December 1998, to take into account the report of the Office of Internal Oversight Services (OIOS) on the increase in costs of the IMIS development contract (A/53/829, annex).

The OIOS report is based on a detailed analysis of the development and implementation process, and its conclusions are in line with statements made in the past by the Secretary-General concerning the initial underestimation of the level of effort and related lack of internal resources required for a successful completion of the project.

The comments of the Secretary-General on the recommendations of OIOS are contained in the annex.

The Secretary-General has also reviewed, in the light of comments and concerns expressed by OIOS, the estimates for resource requirements contained in the tenth progress report, and has concluded that they appear adequate for completing the tasks related to the final stages of the development and implementation of the system. The Secretary-General therefore requests the approval of the balance of funds estimated to be required for the current biennium, US$ 3.2 million.

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I. Comments of the Secretary-General on the report of the Office of Internal Oversight Services on the increase in costs of the Integrated Management Information System development contract

1. The Secretary-General has taken note of findings of the Office of Internal Oversight Services (OIOS) and concurs to a large extent with its conclusions, in particular with the fact that the increase in costs in the main contract of the Integrated Management Information System (IMIS) project was mainly related to the lack of available resources within the Organization to perform the required tasks. In previous progress reports, the Secretary-General had referred to those difficulties, which related to the persistent underestimation of the level of effort since inception of the project. The corrective measures taken as of mid-1994 were not sufficient to compensate for the shortcomings that originated during the first years of the project. It should be noted that projects of the complexity of IMIS are frequently plagued with this situation.

2. The Secretary-General takes note of the conclusion of OIOS that the increases in costs could have been partially avoided but are nevertheless within industry standards. The Secretary-General has also noted the concerns expressed by OIOS with regard to the readiness of the Organization to implement the remaining tasks on schedule. Indeed, as also stated in the tenth progress report, the schedule is very aggressive and demanding, and the Administration is reconsidering its strategy in the light of those concerns, accelerating the completion of the plans and the identification of the staff resources that will be assigned to those tasks. On the other hand, the Secretary-General wishes to stress that most of the targets that were described in the ninth progress report have been successfully achieved. The system has been demonstrated to be reliable and capable of supporting a heavy workload of complex transactions. New releases and enhancements have been successfully introduced, as also confirmed by independent experts in the report prepared at the request of the General Assembly (see A/53/662). The independent experts have also confirmed that to date there are no other systems available on the market that can compare with IMIS in addressing the specific and unique requirements of the United Nations.

3. The Secretary-General has taken note of the views expressed by OIOS that the Organization will have to continue to rely on the main contractor for a certain period of time. The Administration has reviewed its plans and projected expenditures as reflected in the tenth progress report, and has concluded that they appear to be accurate and the maximum level of assistance that will be required from the main contractor during the transition period and from other contractors for the development of reports will remain within the estimates. Currently, almost all the maintenance activities for software are already performed by United Nations staff, and the reporting of new staff expected over the next few months accompanied by additional training by IMIS service staff will strengthen that capacity.

4. The Secretary-General has taken note of the recommendations of OIOS, and his comments on them are contained in the annex. The recommendations are in line with those made earlier by OIOS itself, the Board of Auditors and the independent experts. The actions already planned by the Organization and described in annexes II, IV and V to the tenth progress report address to a large extent the concerns expressed by OIOS.

II. Conclusion and recommendations

5. The Secretary-General, after considering the findings, concerns and recommendations contained in the OIOS report, has concluded that there is no need for a revision of the budgetary estimates for the completion of the project. In the tenth progress report, the Secretary-General had requested an additional appropriation of $6.5 million for the current biennium and the General Assembly had approved $3.3 million, pending a reconsideration of the OIOS report and the related comments of the Secretary-General at its resumed session. The Secretary-General considers that the resources requested are adequate.

6. The General Assembly may wish to:

(a) Take note of the plan of action and the level of resources required for the completion of the IMIS project, as described in the tenth progress report of the Secretary-General;

(b) Approve the request for additional funds for the completion of the project at a total cost of $77.6 million;

(c) Note that of the additional amount of $9.5 million required for the completion of the project, $3.0 million would not be required until 2000–2001;

(d) Approve an amount for the IMIS project of $3.2 million, to be appropriated under section 27D of the programme budget for the biennium 1998–1999.

Annex

Comments of the Secretary-General on the recommendations contained in the report of the Office of Internal Oversight Services on the audit of the increase in costs of the Integrated Management Information Systems development contract

Recommendation 1

The Administration should, as a matter of urgency, establish and communicate to all user departments and offices an overall organizational strategy and a detailed plan for the implementation of revised Release 3, Releases 4 and 5, and the effective institutionalization of IMIS.

1. The Administration agrees with this recommendation, which is in line with its plan of action. The revised version of Release 3 was implemented at Headquarters on 1 February 1999. The implementation plan for Release 3 at offices away from Headquarters, listing all the tasks that have to be completed, is currently being reviewed to take into account the specific requirements of each duty station, and a plan is being finalized for the first three duty stations to activate it.

2. The implementation plans for Release 4 are expected to be finalized by mid-April 1999 once testing of the software is at an advanced stage. Testing is ongoing, but the last parts of the software are not expected to be delivered by the contractor before mid-May 1999.

3. The software of Release 5 is being delivered incrementally, and the implementation of the various functionalities will be determined upon delivery of the various components. One has already been delivered and will be made operational by March 1999. The last functionalities are expected to be delivered towards the end of May 1999. The implementation of those functionalities will be incremental over the entire 1999 and part of the regularly scheduled software upgrades.

4. Plans will be approved by the Steering Committee and officially communicated to all heads of offices concerned.

As part of this strategy and plan, the Administration should:

(a) Reissue and reinforce the Secretary-General's bulletin ST/SGB/276 so as to:

(i) Determine clear responsibilities and accountability for the implementation of the remaining IMIS releases;

(ii) Ensure that appropriate staff resources are identified, trained and dedicated to the implementation tasks;

(iii) Establish an effective monitoring system to ensure that implementation problems are addressed promptly as they arise;

5. There does not seem to be any need to revise or reissue the bulletin. However, the bulletin is being recirculated to all heads of offices concerned to ensure that they are fully aware of and accountable for the implementation and operational activities related to IMIS.

6. Each office will be requested to prepare its own implementation plans, in coordination with Headquarters, and to report on a monthly basis to the IMIS Steering Committee on progress and issues. The resource requirements for IMIS operationalization, maintenance and support during the biennium 2000–2001, both at Headquarters and offices away from Headquarters, will be reviewed in the context of preparation of the proposed programme budget for that biennium.

(b) Transfer the responsibility for coordination and implementation of IMIS training from the IMIS project team to the Office of Human Resources Management (OHRM). OHRM should establish, in cooperation with other user departments and the project team, a comprehensive IMIS training plan for implementation. OHRM should be provided sufficient resources to undertake the function;

7. IMIS training will be incorporated into the regular training programme of the Organization. An extensive training programme has been developed as part of the development and implementation activities of the system. The substantive content and delivery of that training programme, as well as the production and updating of training materials, will be the responsibility of the offices concerned (OHRM; the Office of Programme Planning, Budget and Accounts; the Office of Central Support Services; the Treasury; and IMIS) and the corresponding services at offices away from Headquarters. An overall strategy for the training programme will be developed by those offices and the OHRM Staff Development Service, which will coordinate and provide logistical support for

training. Provision for resources for such training is being made within the budgets of the respective offices in the framework of the preparation of the 2000–2001 proposed programme budget.

Recommendation 2

The Administration should take urgent steps to strengthen maintenance and user support functions by:

(a) Reviewing present state of maintenance and support functions vis-à-vis long-term needs of the Organization;

(b) Establishing appropriate strategy and plans for functions;

(c) Establishing clear organizational roles and responsibilities for functions and mechanisms for efficient coordination so as to ensure that user requirements are met;

(d) Ensure that an adequate level of resources is made available to implement approved plan.

8. The Administration agrees with this recommendation. A review is under way within the framework of the preparation of the budget for the biennium 2000–2001, also taking into account a similar recommendation of independent experts (recommendation 7).

Recommendation 3

In order to realize the full potential of IMIS the Administration should ask all heads of departments to review existing work methods and identify opportunities for further streamlining administrative processes with a view to improving efficiency and reducing costs.

9. The Administration agrees with this recommendation. It should be noted, however, that it is essential that IMIS-related activities which remain to be undertaken be prioritized so that existing resources can be assigned to the most critical tasks. Over the next 12 months, priority will be given to the establishment and initial operation of the full maintenance and support structure and to the implementation of Releases 3, 4 and 5 at offices away from Headquarters. In parallel, within the framework of the task force on human resources, the review of processes and of better ways for using the system will continue. Some of the Release 3 functionalities being implemented in early 1999 and some features being designed in payroll were defined having in mind the streamlining of processes. Other changes that have been identified as desirable and that may be included in the next version of the software aim at further streamlining processes. It is expected, therefore, that an ongoing programme for the implementation of this recommendation can only be formally established once most of the implementation activities have been completed.